

CURIOUS MINDS | KIND HEARTS | COMMUNITY SPIRIT



CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT & CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2025

Company Registration No. 01843219
Charity Registration No. 290143
VAT Registration No. 478595619



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CHEAM SCHOOL EDUCATIONAL TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 31st AUGUST 2025

Headmaster	N. C. Milbank
Director of Finance & Operations	Ll. D. Jenkins
Clerk to the Governors	Ll. D. Jenkins

Bankers	National Westminster Bank Plc 30 Market Place Newbury, Berkshire, RG14 5AJ
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Auditors	HaysMac LLP Statutory Auditors 10 Queen Street Place London, EC4R 1AG
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Company Registration No.	01843219
Charity Registration No.	290143
VAT Registration No.	478595619

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2025

Preface by Cheam's Headmaster



I am immensely proud of what the Cheam Team has achieved in my first year as Headmaster. It is a privilege now to lead the School I have served for over 25 years.

For me, the happiness of our pupils, the staffroom and our parent body is the key measure of our success. The buzz that permeates Cheam's classrooms, corridors and our playing fields is hard to quantify but is there to feel. It derives from the curious minds, kind hearts and community spirit that fills our School every single day.

Happy children learn more easily. Our role, as a non-selective School, is not only to prepare pupils for some of the most selective senior schools in the country, but also to prepare them for an increasingly uncertain world: our academic focus helps pupils open doors, but it is their own character development that enables them to walk through with confidence. In March 2025 we became the only preparatory school to have achieved the ACE School of Character quality mark, for undertaking character education in an explicit, planned, conscious and reflective way.

This approach is at the heart of the new strategy we set out during the year, focused on the journey of each pupil along their own pathway. From whichever entry point a pupil joins us, through to the end of Year 8, and whether day pupil or boarder, Cheam offers a unique and complete education where every child has the opportunity and support to maximise their potential.

The last 12 months has seen considerable progress in a year characterised by significant change. The imposition of VAT on fees and other cost pressures within a challenging economic environment, coupled with lower birth rates, has created a perfect storm for the independent school sector. Sadly, many prep-schools have already closed in a market which is rapidly consolidating. The schools that endure will be those with a clear identity, purposeful education and outstanding value for money.

Readers of this year's report and accounts should be reassured that Cheam is in a strong position: we continue to invest in the best teachers and operational staff, I am supported by an experienced senior leadership team, and we benefit from the wisdom and commitment of a board of governors that includes leading educationalists and other professionals expert in their field. As we focus every day on each pupil's progress, maintain the beautiful surroundings within which they thrive, we continue to run a sustainable business – in every sense of the word – and have the reserves and resolve to weather any storms ahead.

Cheam is in its 380th year. I am looking forward to celebrating several more milestones and the continued successes of our pupils for many more years to come.

NCLH

28th November 2025

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

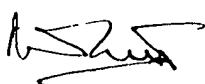
FOR THE YEAR ENDED 31st AUGUST 2025



Foreword by the Chair of Governors

The Board of Governors present their annual report for the year ended 31st August 2025 together with the audited consolidated financial statements for the year. We confirm that they comply with the requirements of the Companies Act 2006 and the Company's Memorandum of Association and the Charities SORP 2005. These financial statements include the results of the School's subsidiary, Cheam Trading Limited.

This report and its consolidated financial statements were approved by the Governors at their Board meeting on 28th November 2025.



28 November 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference & Administrative Information

Cheam School was founded in 1645. It became an educational trust in 1958. The current Cheam School Educational Trust, a charitable company, was established in 1984. Its Company Registration number is 01843219, Charity Registration number is 290143 and from 1st January 2025 its VAT Registration number became 478595619. The liability of its members is limited to £1 each by guarantee. The registered office and principal address of the Company is Cheam School, Newbury Road, Headley, Berkshire, RG19 8LD.

Governing Document

The Charity is governed by the provisions of the Memorandum and Articles of Association last amended on 28th June 2005 and supplementary provisions relating to the Board of Trustees of the Company last amended on 3rd March 2022.

The Governing Body

Members of the Governing body, who are all also Charity Trustees and Directors of the Charitable Company for Companies Act purposes, are elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as diverse a mix as possible of relevant skills, experience and perspective. Members are appointed to serve for a term of three years and are eligible to stand for re-election for two further three-year terms.

Governor Training

New members of the Board are inducted into the workings of the School, and also the Company as a registered charity, including board policy and procedures. Training courses are organised by the Clerk to the Governors and are attended as required. A record of training is kept on the member's file.

Organisational Management

The Board meets at a minimum once each term to determine the general policy for the School and review its overall management and control, for which it is legally responsible. Each sub-committee usually meets at a minimum prior to each termly Board meeting, to review the areas of the School's strategy and operation set out within its Terms of Reference and to make related recommendations as required to the Board.

Organisational Structure & Relationships

The day to day running of the School is delegated to the Headmaster and Director of Finance & Operations who report to the Board each term. The Headmaster is supported by his Senior Leadership Team. Other executive sub-committees exist to provide a forum for the remainder of the staff.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2025

Board Member:		Board Sub-Committees:			
		Finance & Operations	Teaching & Learning	Pastoral & Wellbeing	Marketing & Admissions
Sir M. J. Harford Chair of Governors; Company Director		◆			
Mrs L. J. Moelwyn-Hughes Governor for Safeguarding; Master, Marlborough College	Resigned 31 Aug 2025			◆	
Mrs C. J. Hughes Governor for Safeguarding; Company Director	Appointed 1 Sep 2025	◆		◆	
Mrs C.F. Hamilton-Russell Chair of Pastoral & Wellbeing Committee; Lawyer				◆	
Mr H. Bond-Gunning Company Director	Resigned 14 Mar 2025			◆	
Mr J. Dahl Master, Wellington College	Appointed 8 Nov 2024		◆		
Mr R. W. Harris Chair of Teaching & Learning Committee; Company Director			◆		
Mr N. Adams Housemaster, Eton College			◆		
Mrs E. Stone Headmaster, Winchester College	Appointed 1 Sep 2025		◆		
Mr P.V. Allen Chair of Finance & Operations Committee; Company Director		◆			
Mr S. Miners Company Director		◆			◆
Mrs T. Reeve⁽¹⁾ Chair of MDA Committee; Director of Admissions, Downe House					◆
Mrs Y.Y. Sum⁽¹⁾ Lawyer					

⁽¹⁾ These Directors also serve on the Board of the Cheam Foundation.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the result of the Trust for that period. In preparing financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the principles and methods of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Trust will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregular activities.

So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the Trust's auditors are unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 2025

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

<i>Charitable Object</i>	The principal Object of the Charitable Trust, in accordance with its Memorandum and Articles of Association, is the advancement of education of children.
<i>Strategic Objectives</i>	<ol style="list-style-type: none">1. To create a happy environment where pupils can thrive in all aspects of School life.2. To maintain academic focus and achieve the highest academic results possible for each individual so that all pupils gain entry to the senior school of their choice.3. To give pupils a broad, rich and balanced education with the opportunity to explore and shine in a wide range of extra-curricular activities.4. To offer an outstanding programme of character development underpinned by excellent pastoral care to ensure all pupils leave Cheam well equipped to weather future challenges at their next school and beyond.5. To maintain a sound operational and financial base to enable all of the above.
<i>Principal Activity</i>	The Trust continues to operate a Preparatory and Pre-Preparatory day school with boarding for boys and girls aged from 3 to 13. The fees are set at the minimum level necessary to preserve the ongoing financial viability of the School and to safeguard continued provision of a first-class education.
<i>Key Management Personnel Remuneration</i>	Key management personnel remuneration is determined by the School's Remunerations Committee against sector benchmarking and in consideration of other relevant information. Any revisions to remuneration policy are put by that committee to the Board for approval.
<i>Equality, Diversity and Inclusion</i>	Cheam welcomes individuals from all backgrounds. To admit a prospective pupil, the School must be satisfied that it will be able to educate and develop that prospective pupil to the best of their potential. Familiarisation days and assessments are undertaken to satisfy the School and prospective parents that potential pupils can enjoy and benefit from the style of education we provide. Individual background, sex, race, religion or any other protected characteristic are disregarded in this assessment process. The School will make reasonable adjustments to meet the needs of pupils or staff who have specific needs which require particular support.
<i>Bursaries, Allowances & Remissions</i>	The Governors regard the School's bursary awards as important in helping ensure children from families who would otherwise not be able to afford the fees can access the education the School offers. Bursaries have been available to all who meet our general entry requirements and are made only on the basis of parental means or to relieve hardship. The School does not have large endowments or investments to fund such awards and the imposition of VAT on fees from January 2025 has made funding generally more challenging. Therefore, the School will continue to find a balance between full fee-paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from such awards. This year, the School offered transitional support to existing families facing additional pressure due to VAT. Overall, the School was able to support 47 pupils (2023: 21) through means-tested bursaries. Three of these bursaries were worth 65% or more of the annual fee. For the year the total value of bursaries, allowances and remissions reduced the annual fee income by £587,440 (2024: £513,370).
<i>Future Plans</i>	<p>The Governors review the School's objectives and strategies every year and agree changes if and as required. The purpose of this is to ensure, through sound and regular scrutiny, that the School continues to be a market leader through the provision of modern facilities and first-class teaching staff. The Governors have reviewed and approved the business plan for the next financial year and also reviewed the outlook for future years including appropriate scenario analysis.</p> <p>Following the departure of the prior Headmaster on 31st August 2024 and the appointment from 1st September 2024 of Nick Milbank as Acting Headmaster, the Governors commenced a rigorous process to identify and appoint a suitably accomplished successor. Having concluded this process in December 2024, the Board announced the permanent appointment from January 2025 of the Acting Headmaster, who had proven he was the best candidate to become Cheam's 23rd Headmaster.</p>

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance

Strategic Context

The independent school sector continues to face several structural challenges. The imposition of VAT on fees in January 2025 has accelerated school closures and market consolidation, particularly amongst prep-schools. This strong new headwind, combined with the lower birth rates and higher employment costs already afflicting the sector, is straining many schools' finances. Moreover, a stagnant UK economy facing higher taxation and lower investment is leading a material number of families who can afford UK private education to relocate their lives overseas, including their children's education.

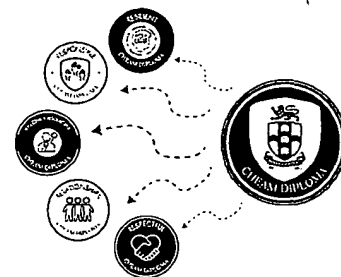
These challenges facing the market are hastening a 'flight to quality' within it. Discerning parents are increasingly focused on securing value-for-money and stability. Cheam has withstood several external shocks and other challenges over its near-400-year history and throughout has remained one of the leading preparatory schools in the country. As a non-selective School, it has a proud record of preparing pupils to secure places at some of the most selective senior schools in the world. The cornerstone of Cheam's education is the character development of its pupils, so that they are equipped to weather future challenges as successfully as Cheam has weathered its own in the past.

The next few years will force change on all of the UK's independent schools. Cheam has shown over the past 12 months that it can sustain and renew itself when change is demanded. Over this period, it has sustained, and in many places improved, how it delivers pedagogical expertise, co-curricular opportunity and exceptional pastoral care in an outstanding countryside setting. It has been able to do so because of effective governance and leadership structures, efficient organisation and execution capability and financial and operational excellence. Whatever the future holds, Cheam intends to remain well-positioned to continue delivering its premium educational product in a calm and consistent manner for many years to come.

Academic & Pastoral

Cheam strives to be a happy School, because happy children learn more easily and happy staff enjoy teaching them. Cheam fosters curiosity that encourages a love of learning in a setting promoting kindness and support. This approach is captured in Cheam's core values: **Curious Minds | Kind Hearts | Community Spirit**. In its last inspection in January 2023, the Independent Schools Inspectorate rated as 'Excellent' both the quality of pupils' academic and other achievements, and the quality of their personal development.

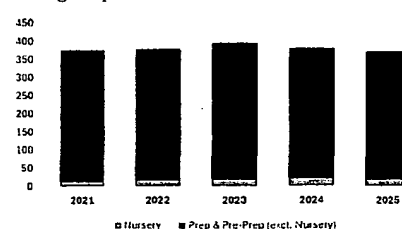
In March 2025, Cheam became the only preparatory school to have achieved the ACE School of Character quality mark, for undertaking character education in an explicit, planned, conscious and reflective way: the School has combined its intellectual property in this area with a proprietary technology platform to create the Cheam Diploma, which allows pupils to measure and track their academic, pastoral and co-curricular progress across several different personal characteristics.



Academic success can be measured in several ways. Historically, scholarships have been a useful indicator, although senior schools are increasingly awarding these during their first year (Year 9) rather than at Year 8. Nonetheless, Cheam's 2025 leavers secured 18 scholarships from senior schools (2024: 14), which included an Academic Exhibition to Winchester College which was an exceptional achievement. As educational institutions progressively dial down academic 'hot housing' in favour of character traits preferred by today's employers, so Cheam is developing other metrics to track the progress of each of its pupils and measure how well the School is preparing its pupils for their next step. We now look less intently at scholarship count and more intently at the number of pupils securing a place at their first-choice destination. We are proud to report that in 2025 all of Cheam's Year 8 pupils left to take up a place at the senior school of their choice.

The quality of Cheam's academic and pastoral offer continues to underpin demand for School places, with Nursery and Pre-Prep numbers acting as a key indicator of future Prep School demand. Average pupil numbers (excluding Nursery) were 353 for the year (2024: 361).

Average Pupil Numbers



CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

Operational Performance (continued)

Co-curricular Activities

Cheam is renowned for its musicality and sporting prowess, although it is the range and diversity of co-curricular activities available which truly stands out. Opportunities include learning to play golf on Cheam's own 9-hole course, clay-pigeon shooting, climbing, horse riding and even playing the bagpipes, in a wide range of available enrichment activities. Key to all our enrichment activities is that they are purposeful and create ways for pupils to discover new interests and develop broad skills.



The School continues to publish the Cheam Chronicle each year, a publication dating back to the early 1900s, which summarises key events and the achievements across all these enrichment activities.

Facilities

The School offers a broad range of educational facilities to children of varying abilities and interests and as a matter of course reinvests annually in the maintenance and improvement of its infrastructure. A summary of capital expenditure during the 2025 year is provided in the next section of this report.

Following an independent review of its catering provision, a diverse panel of key stakeholders from across the School elected in 2025 to outsource Cheam's catering services to *Chapter One*, part of the Impact Food Group. Existing staff were TUPE transferred on the contract start date of 1 August 2025, and new equipment was provisioned over the summer, including installation of a new oven for homemade bread.

In February 2025 the School submitted a long-planned application for a new access and pedestrian improvements across the site. Once approval has been granted, implementation will be prudently managed in stages over the next few years.

Public Benefit

The Governors have taken heed of the Charity Commission's guidance on public benefit and aim to ensure that the quality of education offered by the School and the facilities that it possesses are, wherever possible, of benefit to the public and in particular the local community. The following organisations and charities have benefited during the 2025 year from donations by the School or by fundraising events held at the School: PACT (Parents and Children Together); Teddy's Wish, Hampshire Medical Fund; Wooden Spoon (The Children's Charity of Rugby); Cancer Research; PALS; West Berkshire Foodbank; Young Art; The Royal British Legion through the Poppy Appeal; and Young Minds.

Community Links

Cheam helps maintain grounds at Headley Community Shop and Village Post Office, as well as the Village Hall. The School also supports and donates to the maintenance fund of the local parish church at Ashford Hill. During the 2025 year, the School also donated a new notice board to the Ashford Hill with Headley Parish Council and hosted a cross-county event and swimming lessons for the local primary school in Kingsclere. Local clubs, sports teams and community groups also benefit from using the School's facilities.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

FINANCIAL REVIEW

Financial Framework

The strategic context outlined above informed the key financial aims in 2025:

- **To deliver a lean but solid level of net income.** To run a sustainable operation from year-to-year, balancing income from all sources against expenditure on staff and non-staff costs in that year, that achieves a sufficient surplus to reinvest in the ongoing upkeep and improvement of the School's infrastructure.
- **To maintain positive net cash flow.** To re-invest in the School's infrastructure only surpluses from its ongoing day to day fee-funded operations. This in order to preserve and augment the School's cash reserves in anticipation of challenging market conditions exacerbated by the imposition of VAT on fees.
- **Retain strong cash reserves.** To preserve the School's resilience to market uncertainty and unplanned and unexpected events; and to retain future optionality for strategic investment, by maintaining a sufficient reserve of realisable funds.

Financial Results

Actual net income was £473,490 (2024: £135,229). Income from charitable activities was £8,674,374 (2024: £8,827,176) and expenditure on charitable activities was £8,471,191 (2024: £8,826,154). Fees receivable were marginally lower following the School's decision to put in place transitional arrangements to support existing families given the earlier than expected imposition of VAT on fees from January 2025. Lower year-on-year expenditure resulted from cost optimisation in teaching staff; improved transport fleet management and new operating models in grounds and maintenance teams that leverage new technology and supply chains. Welfare costs were marginally up as the School invested further in its catering offer. These, and other cost increases due to the government's removal of business rates relief and higher employer's national insurance contributions, were absorbed by the School's proactive measures outlined above.

The full financial results for the year are set out in the statement of financial activities on Page 17.

Other Income

Other sources of non-fee income totalled £285,320, doubling that of the previous year (2024: £138,589). Interest receivable from the School's treasury strategy continued to make a significant contribution, together with notable growth in donation income from the Cheam Foundation, enabling further reinvestment in the School's sporting equipment and wider educational pursuits including outdoor music and beekeeping.

The School continues to collaborate with other organisations to develop new non-fee income streams. The Newbury Netball League renewed its contract within the year, and the newly formed English Prep Schools Cricket Association (with over 100 member schools) selected Cheam to pilot its first residential cricket camps. Further camps are planned in 2026. Other opportunities in 2027 are already being discussed.

Capital Expenditure

During the year, Cheam finalised a five-year major programme of IT infrastructure reinvestment, underpinning its digital learning strategy and operational efficiency and resilience. The School benefits from being fully cloud-based, having a second internet line; and new secure printing architecture. Other technology improvements included robot mowers for the School's extensive grounds that have led to improved cut quality and fewer emissions, lightweighting of vacuum cleaners and integration of security systems. Site safety improvements included replacement paving and stonework in several areas, new signage and further measures to control traffic movements. The School also created new common rooms for its boarders, forming part of the new strategy to reimagine its boarding offer.

Capital expenditure in the year was £254,824 (2024: £310,977).

Cash & Current Asset Investments

The School deposits cash funds at various rates of interest with its bankers. At year-end, cash and cash equivalents were £2,865,780 (2024: £3,349,752) and current asset investments £2,500,000 (2024: £2,500,000). These funds comprise: £2,054,852 related to prepaid fees which are held in separate, ring-fenced accounts (2024: £3,090,067); emergency and strategic reserves of £1,525,000 (2024: £1,525,000); and day-to-day operating cash of £1,779,741 (2024: £1,225,309). There is also £6,187 (2024: £9,376) in an account dedicated to Pre-Prep.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

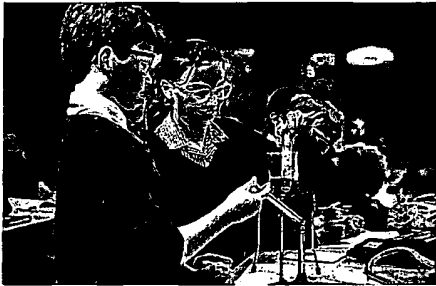
FOR THE YEAR ENDED 31st AUGUST 2025

FINANCIAL REVIEW (continued)

Renewal

From year-to-year, the School's budget is set to enable an appropriate level of renewal investment. This is balanced against preserving adequate reserves to safeguard the long-term financial health of Cheam. Sector benchmarks, good fiduciary discipline and professional experience help guide these decisions. Reinvestment can take many forms:

- *Staff* – to ensure market-competitive compensation reviews for all staff annually to attract, retain and reward high quality individuals. Additionally, to invest in continuous personal development to ensure that across the School staff develop and advance the qualifications, skills and behaviours necessary to deliver an outstanding educational experience.
- *Facilities* – to maintain safe and reliable operations and to improve continuously the quality of all assets used by pupils and staff.
- *Operations* – to optimise systems and processes and procurement strategies to capture efficiencies and secure improved value for money.



In 2025, Cheam strengthened its senior leadership team and School organisation to execute its new strategy. The pupil pathway is the School's framework for enabling the potential of every child on their journey to securing a place at some of the most selective senior schools in the country. With a balanced curriculum focused on academic and co-curricular pursuits and the opportunity to experience a reimagined boarding offer, Cheam provides a unique setting for character development within an environment of exceptional pastoral care.

Behind the scenes, the School continues to optimise systems and processes to drive operational excellence and foster collaborative partnerships and commercial relationships that preserve quality at competitive terms. Cheam also remains focused on developing transformative projects that have both immediate and long-term value for the School. In February 2025, a full planning application was submitted for a new access to enhance site and local highway safety, improve onsite parking, optimise pedestrian movements and enable better use of the School's facilities.

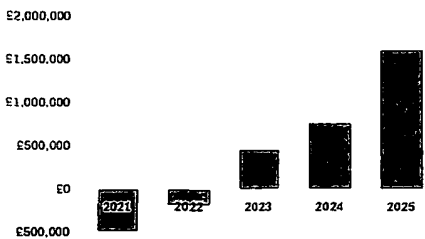
Reserves Policy

Total Reserves (defined here under the accounting regulations for charities to include freehold land and buildings fixed assets) at 31st August 2025 totalled £12,301,370 (2024: £11,827,880), of which £12,253,662 (2024: £11,780,172) were unrestricted. After deducting for fixed assets totalling £10,644,114 (2024: £11,023,077) the level of Free Reserves was £1,609,548 (2024: £757,095). Positive free reserves are an indicator of strong financial health. The School remains debt free.

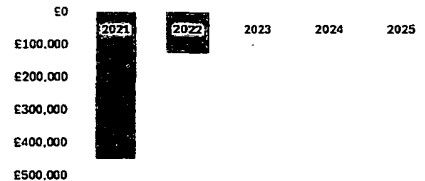
The School's reserves policy:

- To achieve a margin of working capital sufficient to enable all aspects of the School's work to be conducted in an orderly and efficient manner and to deal with the management of the School's buildings and maintenance programme;
- To provide emergency cover for unexpected and unavoidable items of expenditure, over and above a level which can be funded from current income.
- To seek to maintain positive free reserves with a long-term target to reach £1,000,000. As at 31 August 2025 the School's free reserves of £1,609,548 exceeded this target.

Free Reserves



Debt



CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

STREAMLINED ENERGY AND CARBON REPORTING (SECR) DISCLOSURE

Scope

Cheam is not obliged to report its energy use and carbon emissions under SECR but takes the view that voluntary disclosure is an important part of its commitment to understanding and reducing the School's environmental impact.

2023 base year

In 2023 the School baselined its carbon footprint as part of developing its multi-year estates masterplan and carbon reduction strategy.

The School aims to update its report of energy use and carbon emissions every three years. The next report is due in 2026.

Energy consumption used to calculate emissions		kWh	1,626,850
Emissions from combustion of liquified petroleum gas	Scope 1	tCO ₂ e	54
Emissions from combustion of kerosene heating oil	Scope 1	tCO ₂ e	214
Emissions from combustion of fuel for transport purposes	Scope 1	tCO ₂ e	20
Emissions from purchased electricity	Scope 2	tCO ₂ e	75
Total gross tCO ₂ e based on above		tCO ₂ e	363
Intensity ratio		tCO ₂ e/pupil	0.97

2025 energy efficiency actions

Cheam's student-led eco-committee was once again successful in being re-awarded the Eco-Schools Green Flag, with distinction. Other notable achievements were:

- Waste management – the School's fully segregated recycling system (already compliant with new regulations introduced in March 2025) saved over 11 tCO₂e in the last year.
- Reduced diesel usage – the introduction of electric robot mowers and use of HVO within the year is expected to save 20 tCO₂e per annum
- Reuse – the School continued to promote demand reduction generally by participating in a book exchange on World Book Day and redistributing clothes through the Bag2School initiative.
- Beekeeping – the Cheam Foundation funded onsite hives enabling educational opportunities for pupils and the future production of local honey for use by Cheam's catering team in match teas for pupils and parents.

Cheam continues to purchase 100% REGO-backed renewable electricity.



Methodologies used in calculation of disclosures

Cheam commissioned a review of the energy consumption and associated carbon emissions of its facilities by a specialist consultancy as part of the School's development of a multi-year estates masterplan and carbon reduction strategy. Transport emissions were based on actual mileage recorded in fleet logbooks and staff expense claims. Conversion factors for facilities are derived from current grid factors outlined in *SAP10.1*, the Standard Energy Procedure set by the Government for compliance with energy and carbon requirements set out under existing building regulations. Transport emissions are calculated using a methodology aligned with the *WRI/WBCSD GHG Protocol Corporate Standard* which makes use of publicly available, nationally relevant and regularly updated emission factors from reputable and recognised sources. This uses *2021 UK Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting*. Reporting is based on *The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018* and related guidance contained in *HM Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance March 2019*.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

PRINCIPAL RISKS AND UNCERTAINTIES

Governors routinely monitor the School's activities and regularly review the major risks faced in each of the principal areas of the School's operations. In the opinion of the Governors the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

In particular, the Governors have identified the major current risks as being:

<i>VAT on Fees</i>	Reports suggest between 11,000-13,500 pupils left the independent school sector in the 12-months following the imposition of VAT on fees, representing around 2% of pupils. Over 50 schools have closed. It is expected that the increased cost to parents of private education will continue to see parents delaying when their children join fee-paying schools, trading down or exiting the sector altogether. Coupled with other demographic and market changes, Cheam anticipates that market demand will continue to shrink, leading to localised market consolidation through both vertical and horizontal integration. The Board is monitoring developments carefully, has considered several scenarios and continues to review and appraise options that best meet its charitable objects. Governors remain committed to sustaining Cheam's provision of a premium co-educational preparatory education and supporting existing parents wherever possible using reserves set aside specifically to meet this challenge.
<i>Economic Shock</i>	The economic environment remains challenging both globally and in the UK. Geopolitical uncertainty, stagflation and the risk of higher taxation is constraining growth and investment. Energy and food prices remain volatile. These factors, and the way governments seek to try to control and/or limit their impact, could result in a significant 'Economic Shock' to the world and local economy. This in turn could lead to further financial pressure on parents unable to afford school fees and thus to a decline in pupil numbers. The School manages this risk through a strategy of enacting robust cost control; maintaining a strong understanding of its catchment area, local competition and current and prospective parental body; and rigorously reviewing and stress testing its budgets and longer-term plans.
<i>Global Health Pandemic</i>	Like almost all organisations the School remains vigilant to the potential impact of further outbreaks of new strains of Coronavirus or other similar pandemic illnesses and continues to reinforce the importance of early detection and good hygiene to maintain pupil, staff and parent wellbeing and minimise operational disruption. The School continues to monitor its own and other benchmark data to ensure it can quickly respond to isolated outbreaks using the systems and processes developed during previous lockdowns and respond to guidance from the government and professional bodies to safeguard the health and safety of the School community.
<i>Reputational Damage</i>	Strategies and plans are in place to ensure the School remains an attractive option for future parents both academically and in the provision of excellent facilities. However, the Governors recognise that the reputation of a school can be damaged by past or present events, either real or alleged, in a very short time and which could result in a loss of pupils. To mitigate these risks the School ensures appropriate policies and procedures are in place to respond to a public-relations crisis or other reputation-threatening event which are regularly reviewed by the Governors. Appropriate training is undertaken by all staff and Governors on a regular basis and good communication among staff, parents and Governors is a continuing focus.
<i>Liquidity</i>	Cash flow forecasts, ratio analysis and solvency tests are regularly prepared by the DFO and reviewed by the Finance & Operations Committee to ensure the School maintains sufficient liquidity to operate and meet its liabilities as they fall due. The School has a strong relationship with its bankers including regular communication regarding the financial performance of the School and its budgets and plans for future years. In addition to an Emergency Reserve of £525,000 and a further £1,000,000 future deployment fund held on deposit, the School maintains a £250,000 overdraft facility. Cheam did not need to use this facility during the 2025 year.
<i>Unforeseen Business Interruption</i>	The School regularly reviews its insurance coverage to ensure it has appropriate cover to offset the impact of any serious events occurring that may affect its ability to provide education to its pupils or its financial stability, such as damage to School facilities or access or interruptions to vital services.
<i>Loss of 'key player'</i>	A strong and versatile senior leadership team and practised contingency responsibilities are in place to help mitigate this risk.

CHEAM SCHOOL EDUCATIONAL TRUST

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31st AUGUST 2025

This report and consolidated financial statements were approved by the Governors at their Board meeting on 28th November 2025.



Sir Mark Harford
28th November 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEAM SCHOOL EDUCATIONAL TRUST

Opinion

We have audited the consolidated financial statements of Cheam School Educational Trust for the year ended 31st August 2025 which comprise the Consolidated Statement of Financial Activities, the Group and Charitable Company Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and parent charitable company's affairs as at 31st August 2025 and of the Group and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors Annual Report (which incorporates the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report (which incorporates the strategic report and the Directors' report) has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEAM SCHOOL EDUCATIONAL TRUST (continued)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (which incorporates the strategic report and the Directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 5, the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, we identified that the principal risks of non-compliance with laws and regulations, Safeguarding and Education Act, GDPR, company law and charity law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspection of correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHEAM SCHOOL EDUCATIONAL TRUST (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Group and charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Stokes
Senior Statutory Auditor
for and on behalf of HaysMac LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

2 December 2025
Date:.....

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31st AUGUST 2025

INCOME AND EXPENDITURE	Notes	General Unrestricted Fund 2025 £	Other Funds 2025 £	Total Funds 2025 £	Total Funds 2024 £
INCOME FROM:					
Income from charitable activities					
Tuition fees	1	8,341,456	-	8,341,456	8,470,009
Disbursements and extras		286,160	-	286,160	288,825
Other ancillary income	2	46,758	-	46,758	68,342
Investments					
Interest receivable	4	166,752	-	166,752	84,536
Voluntary sources					
Donations and appeal income	5	31,156	48,209	79,365	14,110
Other income					
Other income	6	39,203	-	39,203	39,943
		<u>8,911,485</u>	<u>48,209</u>	<u>8,959,694</u>	<u>8,965,765</u>
EXPENDITURE ON:	7				
Raising funds					
Prepaid fee discount		15,013	-	15,013	4,382
Charitable activities					
<i>School operating costs</i>					
Teaching costs		4,724,087	-	4,724,087	5,126,333
Welfare		916,183	-	916,183	849,700
Premises		1,599,034	-	1,599,034	1,596,482
Support costs of schooling		1,221,831	10,056	1,231,887	1,253,239
Grants		-	-	-	400
		<u>8,476,148</u>	<u>10,056</u>	<u>8,486,204</u>	<u>8,830,536</u>
Net income before transfers		435,337	38,153	473,490	135,229
Transfers between funds		38,153	(38,153)	-	-
(Loss)/Profit on disposal of fixed assets		-	-	-	(8,507)
Net income after transfers		<u>473,490</u>	<u>-</u>	<u>473,490</u>	<u>126,722</u>
Balance brought forward		11,780,172	47,708	11,827,880	11,701,158
Balance carried forward		<u>12,253,662</u>	<u>47,708</u>	<u>12,301,370</u>	<u>11,827,880</u>

All activities are continuing. At the year end, all funds were unrestricted apart from the Other Funds, which comprised the Learning Support Fund. During the year £48,209 Other Funds were received which were to be spent on specific projects/assets. All of this was spent during the year.

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

The accompanying notes are an integral part of the accounts. The results of the parent company are not presented in accordance with exemptions provided by the Companies Act (2006). The result for the year was a £473,490 surplus (2024: £126,722 surplus).

CHEAM SCHOOL EDUCATIONAL TRUST

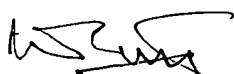
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CONSOLIDATED AND CHARITY BALANCE SHEETS

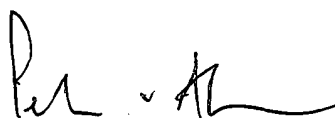
AS AT 31st AUGUST 2025

		Group		School	
	Notes	2025 £	2024 £	2025 £	2024 £
FIXED ASSETS					
Tangible fixed assets	10	10,644,114	11,023,077	10,644,114	11,023,077
Investments	3	-	-	1	1
CURRENT ASSETS					
Investments		2,500,000	2,500,000	2,500,000	2,500,000
Debtors					
Fees and extras in arrears		1,399	4,471	1,399	4,471
Fees and extras per Autumn 2025 bills		1,487,905	-	1,487,905	-
Other debtors, stocks and prepayments		304,914	250,586	304,914	250,586
Cash and cash equivalents		2,865,780	3,349,752	2,865,780	3,349,752
		<u>7,159,998</u>	<u>6,104,809</u>	<u>7,159,998</u>	<u>6,104,809</u>
CREDITORS - due within one year					
Fees and extras for Autumn 2025/24	12	(2,006,630)	(898,021)	(2,006,630)	(898,021)
Prepaid fees	11	(819,600)	(1,035,215)	(819,600)	(1,035,215)
Other creditors	12	(1,036,142)	(851,842)	(1,036,143)	(851,843)
		<u>(3,862,372)</u>	<u>(2,785,078)</u>	<u>(3,862,373)</u>	<u>(2,785,079)</u>
NET CURRENT ASSETS/LIABILITIES		3,297,626	3,319,731	3,297,625	3,319,730
CREDITORS - Due after one year	13	(1,640,370)	(2,514,928)	(1,640,370)	(2,514,928)
TOTAL ASSETS LESS LIABILITIES		<u>12,301,370</u>	<u>11,827,880</u>	<u>12,301,370</u>	<u>11,827,880</u>
UNRESTRICTED FUNDS					
<i>Designated fund</i>					
General Fund	14	12,253,662	11,780,172	12,253,662	11,780,172
Learning Support Fund	15	47,708	47,708	47,708	47,708
		<u>12,301,370</u>	<u>11,827,880</u>	<u>12,301,370</u>	<u>11,827,880</u>

The financial statements were approved and authorised for issue by the Board of Governors on 28th November 2025 and were signed below on its behalf by:



Sir Mark Harford, Chairman



Mr Peter Allen, Governor

The accompanying notes are an integral part of the accounts.

CHEAM SCHOOL EDUCATIONAL TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st AUGUST 2025

	2025 £	2024 £
Cash flow from operating activities		
Net income for the year	473,490	126,722
Depreciation (including impact of VAT adjustment)	454,809	477,214
Interest receivable	(166,752)	(84,536)
(Increase)/decrease in debtors	(51,256)	(104,380)
Increase/(decrease) in creditors	(249,954)	71,586
Loss/(Profit) on disposal of fixed assets	-	8,507
Net cash generated from operating activities	460,337	495,113
Cash flow from investing activities		
Interest received	166,752	84,536
Purchase of current asset investments	-	(2,500,000)
Purchase of fixed assets	(254,824)	(310,977)
Proceeds from disposal of fixed assets/fixed asset adjustments	178,978	149
Net cash used in investing activities	90,906	(2,726,292)
Cash flows from financing activities		
Increase/(decrease) in prepaid fees	(1,035,215)	2,945,604
Net cash used in financing activities	(1,035,215)	2,945,604
Increase/(decrease) in cash and cash equivalents	(483,972)	714,425
Cash and cash equivalents as at 1 st September 2024/2023	3,349,752	2,635,327
Cash and cash equivalents as at 31 st August 2025/2024	2,865,780	3,349,752
Reconciliation of net debt		
	Balance 1 st September 2024 £	Cashflows £
Cash at bank and in hand	3,349,752	(483,972)
Total	3,349,752	(483,972)
		Balance 31 st August 2025 £
		2,865,780

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31st AUGUST 2025

ACCOUNTING POLICIES

ACCOUNTING POLICIES

Cheam School Educational Trust is a charitable company incorporated in England and Wales. Further company information can be found on page 2.

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2019), the Companies Act 2006 and FRS 102 the financial reporting standard applicable in the UK and the Republic of Ireland. The accounts present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flows and the consolidated and School balance sheets comprising the consolidation of the School and with its wholly owned subsidiary Cheam Trading Limited. No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

The School reviews and monitors its financial position closely on a regular basis and also models future scenarios to ensure proactive steps are taken to protect both the financial resilience of its current operations and its longer-term financial stability based on a range of other factors. These forecasts, in addition to normal processes, controls and governance in this area, enable a timely response to emerging issues and contingency planning for uncertainties presented by the wider environment. The School retains strong links with its bankers who continue to make available appropriate facilities to support ongoing activities. Having reviewed its current financial resources, the funding facilities available to the School, and its future projected cash flows, the Governors have a reasonable expectation that the School will have adequate resources to continue its activities for the foreseeable future. The Governors believe there are no material uncertainties relating to going concern and as such continue to adopt the going concern basis in preparing these financial statements.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

b) Fees receivable and similar income

Tuition fees are stated after deducting allowances for awards and other remissions. Other educational income comprises income from school outings, activities and other related income. These sources of income are included in the accounts when they become receivable and their value can be measured with reasonable probability.

c) Expenditure

Charitable activity costs comprises all expenditure directly related to the objects of the School including direct staff costs attributable to each activity. Support costs included within the charitable activity comprise the costs of all resources utilised directly to support the School's primary activities.

Governance costs are those costs incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d) Pension costs

All staff (teaching and non-teaching) are members of defined contribution schemes, where required by pursuant legislation, which comply with the requirements for a stakeholder pension scheme. The School withdrew from the Teachers' Pension Scheme on 31st December 2019. See Note 8 on page 24.

e) Fixed assets

All items of a capital nature with a combined value of over £600 are capitalised. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Freehold land	Freehold land is not depreciated
Freehold buildings & improvements	2%
Furniture, fixtures and equipment	10% - 20%
Motor vehicles	20%
Computers	25%

CHEAM SCHOOL EDUCATIONAL TRUST

YEAR ENDED 31ST AUGUST 2025

ACCOUNTING POLICIES (continued)

ACCOUNTING POLICIES (continued)

f) Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

g) Operating Leases

Rental charges are charged on a straight-line basis over the term of the lease.

h) Debtors

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

i) Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Creditors and Provisions

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

k) Fund accounting

The funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

l) Critical sources of estimation uncertainty and accounting judgements

The governors consider there to be the following key sources of estimation uncertainty and have therefore applied judgement.

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the time assets are retained and utilised by the School.

m) Employee benefits

Employee benefits are accounted for in the period in which the employee's services were provided.

n) Employee termination payments

Employee termination payments are accounted for in the period in which the employee ceased employment with the School.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS

YEAR ENDED 31st AUGUST 2024

1. CHARITABLE ACTIVITIES	2025	2024
	£	£
Fees receivable consist of:		
Boarding and tuition fees	8,928,896	8,983,379
Less scholarships, bursaries and remissions given	(587,440)	(513,370)
	<u>8,341,456</u>	<u>8,470,009</u>
2. OTHER ANCILLARY INCOME	2025	2024
	£	£
Registration fees	8,262	16,293
Other	38,496	52,049
	<u>46,758</u>	<u>68,342</u>
3. SUBSIDIARY	2025	2024
	£	£
Turnover and other income	-	-
Administrative expenditure	-	-
Net (loss)/profit	-	-
Bank Interest Received	-	-
Tax on profit	-	-
(Loss)/profit for the financial period	-	-
Donation to parent undertaking	-	-
Retained in subsidiary	-	-
Net assets	<u>1</u>	<u>1</u>

The Charitable Company has an investment in a subsidiary undertaking which comprises a holding of 1 ordinary share of £1, being the whole of the issued share capital of Cheam Trading Limited (formerly Cheam Asia Limited), a company registered in England. Cheam Trading Limited was dormant during the year ended 31st August 2025. As of 31st August 2025, the company had net assets of £1 (2024: net assets of £1).

4. INTEREST RECEIVABLE	2025	2024
	£	£
Bank interest	<u>166,752</u>	<u>84,536</u>
5. DONATIONS	2025	2024
	£	£
Donations received	<u>79,365</u>	<u>14,110</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

6. OTHER INCOME	2025 £	2024 £
Rent and lettings	<u>39,203</u>	<u>39,943</u>

7a. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2025 Total £
Cost of generating funds				
Prepaid fee discount	-	15,013	-	15,013
School operating costs				
Teaching	3,942,059	677,981	104,047	4,724,087
Welfare	583,800	299,686	32,697	916,183
Premises	602,525	725,626	270,883	1,599,034
Support	725,328	447,928	47,182	1,220,438
Bad and doubtful debts	-	11,449	-	11,449
Grants	-	-	-	-
Total expenditure	<u>5,853,712</u>	<u>2,177,683</u>	<u>454,809</u>	<u>8,486,204</u>

Depreciation expenditure in the table above includes a credit adjustment of £28,890 arising from the recovery of pre-registration input VAT on fixed assets purchased in the 4 years prior to VAT registration and the associated adjustment to accumulated depreciation (for further details please see note 10, page 25).

7b. COMPARATIVE ANALYSIS OF EXPENDITURE

	Staff Costs £	Other £	Depreciation £	2024 Total £
Cost of generating funds				
Prepaid fee discount	-	4,382	-	4,382
School operating costs				
Teaching	4,346,246	667,483	112,604	5,126,333
Welfare	533,179	284,393	32,128	849,700
Premises	569,769	749,809	276,904	1,596,482
Support	648,762	528,351	55,578	1,232,691
Bad and doubtful debts	-	20,548	-	20,548
Grants	-	400	-	400
Total expenditure	<u>6,097,956</u>	<u>2,255,366</u>	<u>477,214</u>	<u>8,830,536</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

8. STAFF COSTS

	2025 £	2024 £
Wages and salaries	4,695,649	5,031,908
Social security costs	458,949	438,514
Pension contributions	475,199	504,479
Other staff related costs	223,915	123,055
	<u>5,853,712</u>	<u>6,097,956</u>

Termination payments of £26,916 were incurred during the year (2024: £317,689).

	No.	No.
The average number of employees in the year was:		
Teaching	87	96
Others	77	69
	<u>164</u>	<u>165</u>

The number of employees whose emoluments exceeded £60,000

£60,000 - £70,000	4	4
£70,000 - £80,000	1	1
£80,000 - £90,000	-	-
£90,000 - £100,000	-	-
£100,000 - £110,000	2	1
£110,000 - £120,000	-	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	-
£140,000 - £150,000	-	1
	<u>-</u>	<u>1</u>

Key management personnel remuneration in the year was £263,236 (2024: £303,158).

Teachers' Pension Scheme

The School used to participate in the Teachers' Pension Scheme ("the TPS") for its teaching staff, but withdrew on 31st December 2019 and an alternative defined contribution pension scheme was put in place for the benefit of teaching staff.

Aviva Pension Trust for Independent Schools

As the replacement for the TPS for teaching staff, the School participates in a defined contribution scheme with the Aviva Pension Trust for Independent Schools. During the year £599,988 (2024: £646,879) was recognised as an expense in the Consolidated Statement of Financial Activities.

Incorporated Association of Preparatory Schools Retirement

The School also participates in a defined contribution scheme with the Incorporated Association of Preparatory Schools Retirement Plan for certain non-teaching staff. During the year £136,177 (2024: £134,453) was recognised as an expense in the Consolidated Statement of Financial Activities.

Nest Pension Scheme

The School also participates in the Nest Pension Scheme, a government backed defined contribution scheme, for the benefit of certain non-teaching staff. During the year £32,297 (2024: £30,960) was recognised as an expense in the Consolidated Statement of Financial Activities.

At the year-end £61,201 (2024: £71,959) was payable in respect of contributions to the defined contribution pension schemes that the School participates in for the benefit of its staff.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

None of the Governors received any remuneration. Out of pocket expenses paid to Governors during the year were £42 (2024: £256). The School has purchased Governor's liability insurance. As the premium is included with other insurance costs, it is not separately identifiable.

9. EXPENDITURE	2025 £	2024 £
Expenditure includes:		
Operating lease payments	88,638	100,048
Auditor's remuneration - Audit	21,000	23,670
- Other services	325	4,720
Depreciation	<u>454,809</u>	<u>477,214</u>

Depreciation expenditure above includes the credit adjustment of £28,890 arising from the recovery of pre-registration input VAT on fixed assets purchased in the 4 years prior to VAT registration and the associated adjustment to accumulated depreciation (please see note 10, below).

10. TANGIBLE FIXED ASSETS

The movements of tangible fixed assets are as follows:

Group and School	Freehold land and freehold buildings £	Furniture, Fittings, equipment and motor vehicles £	Computers £	Total £
COST OR VALUATION				
At 1 st September 2024	13,760,369	1,850,177	485,586	16,096,132
Additions	4,216	148,044	102,564	254,824
Adjustment	(21,117)	(119,493)	(38,368)	(178,978)
At 31 st August 2025	<u>13,743,468</u>	<u>1,878,728</u>	<u>549,782</u>	<u>16,171,978</u>
DEPRECIATION				
At 1 st September 2024	4,168,914	663,224	240,917	5,073,055
Charge for the year	201,866	177,950	103,883	483,699
Adjustment	(848)	(16,003)	(12,039)	(28,890)
At 31 st August 2025	<u>4,369,932</u>	<u>825,171</u>	<u>332,761</u>	<u>5,527,864</u>
NET BOOK VALUE				
At 31 st August 2025	<u>9,373,536</u>	<u>1,053,557</u>	<u>217,021</u>	<u>10,644,114</u>
At 31 st August 2024	<u>9,591,455</u>	<u>1,186,953</u>	<u>244,669</u>	<u>11,023,077</u>

Following VAT registration on 1st January 2025, pre-registration input VAT was recovered on certain fixed assets purchased in the 4 years prior to registration. This resulted in adjustments to the cost and accumulated depreciation of these fixed assets as set out in the table above.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

11. PREPAID FEES

The movements on the School's prepaid fees scheme during the year were as follows:

	Group and School	
	2025	2024
	£	£
Balance at 1st September 2024	3,090,067	144,463
New contracts	-	3,106,256
Amount accrued to contracts	15,013	4,382
Refunded to parents	-	-
	<u>3,105,080</u>	<u>3,255,101</u>
Amounts utilised in payment of fees	(1,050,228)	(165,034)
Balance at 31st August 2025	<u><u>2,054,852</u></u>	<u><u>3,090,067</u></u>

Assuming pupils remain with the School, prepaid fees will be applied as follows:

	2025	2024
	£	£
Within one year	819,600	1,035,215
Between two and five years	1,053,815	1,873,415
After five years	181,437	181,437
	<u><u>2,054,852</u></u>	<u><u>3,090,067</u></u>

12. CREDITORS: - Due within one year

	Group		School	
	2025	2024	2025	2024
	£	£	£	£
Fees and extras for Autumn 2025/24	<u>2,006,630</u>	<u>898,021</u>	<u>2,006,630</u>	<u>898,021</u>
	£	£	£	£
Trade creditors	228,389	164,993	228,389	164,993
Other tax and social security	107,366	118,340	107,366	118,340
Other creditors	549,729	209,862	549,729	209,862
Accruals	150,658	358,647	150,658	358,647
Amounts owed to group undertakings	-	-	1	1
	<u><u>1,036,142</u></u>	<u><u>851,842</u></u>	<u><u>1,036,143</u></u>	<u><u>851,843</u></u>

'Fees and extras for Autumn 2025/24' relates to fees and extras for the next school year which were invoiced in August. In prior years, Autumn term fee debtors have been netted against 'fees and extras for the Autumn term'. However following VAT registration on 1st January 2025, VAT invoices for the Autumn term are now issued in August creating a fee debtor, and therefore fee debtors and the associated deferred income relating to Autumn 2025 are shown gross in the financial statements. The resulting increase in these balances compared to the prior year, can be seen in the note above and the balance sheets on page 18.

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

13. CREDITORS: - Due after one year

	Group		School	
	2025	2024	2025	2024
	£	£	£	£
Prepaid fees	1,235,252	2,054,852	1,235,252	2,054,852
Fee deposits	405,118	460,076	405,118	460,076
	<u>1,640,370</u>	<u>2,514,928</u>	<u>1,640,370</u>	<u>2,514,928</u>

14. GENERAL FUNDS

General funds can be applied to the School's operations at the discretion of the governors.

OTHER FUNDS

15. LEARNING SUPPORT FUND

The fund consists of donations originally of £60,000 that are now reduced to £47,708 which are being used for learning support. £0 was spent during the year.

16a. ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets	Net current assets/ (liabilities)	Creditors: due after one year	2025 Total
	£	£	£	£
General Fund	10,644,114	3,249,918	(1,640,370)	12,253,662
Learning Support Fund	-	47,708	-	47,708
	<u>10,644,114</u>	<u>3,297,626</u>	<u>(1,640,370)</u>	<u>12,301,370</u>

16b. COMPARATIVE ALLOCATION OF CONSOLIDATED NET ASSETS BY FUND

	Fixed assets	Net current assets/ (liabilities)	Creditors: due after one year	2024 Total
	£	£	£	£
General Fund	11,023,077	3,272,023	(2,514,928)	11,780,172
Learning Support Fund	-	47,708	-	47,708
	<u>11,023,077</u>	<u>3,319,731</u>	<u>(2,514,928)</u>	<u>11,827,880</u>

CHEAM SCHOOL EDUCATIONAL TRUST

NOTES TO ACCOUNTS (continued)

YEAR ENDED 31st AUGUST 2025

17. OPERATING LEASE COMMITMENTS

The School has the following total operating lease commitments due as follows:

	Group and School	
	2025	2024
	£	£
Less than one year	83,511	98,827
Two to five years	119,209	70,151
Over five years	-	-
	<u>202,720</u>	<u>168,978</u>

18. RELATED PARTY DISCLOSURES

One of the Governors has a child at the School and pays fees in line with other parents (2024: Three). The Director of Finance & Operations has two children at the school (2024: two) and as part of his contract of employment receives staff fee remission in line with the School's Fees Remission Policy.

There were no other related party transactions in the year ended 31st August 2025 or the preceding year.

19. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.